



City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Robert Ziprick, Councilmember
Charles Umeda, Councilmember

COUNCIL AGENDA: June 13, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager

SUBJECT: Joint meeting of the City Council and Redevelopment Agency relating to the 2006-2007 fiscal year budget

- a. Council Bill #R-2006-28 – Approving a loan to the Agency
- b. Council Bill #R-2006-29 – Approving the 2006-2007 adjusted appropriations limit
- c. Schedule “A” for Law Enforcement
- d. COPS Grant Expenditure Plan
- e. Investment Policy
- f. Lease Agreement between the City/Agency and Chamber of Commerce
- g. Lease Agreement between the City and the County of San Bernardino pertaining to the Loma Linda Branch Library
- h. CRA Bill #R-2006-11 – Accepting a loan from the City
- i. CRA Bill #R-2006-12 – Approving a loan to the Connected Community Program
- j. Council Bill #R-2006-30 – Accepting a loan from the Agency to the Connected Community Program
- k. Council Bill #R-2006-31 – Adopting the 2006-2007 fiscal year budget
- l. CRA Bill #R-2006-13 – Adopting the 2006-2007 fiscal year budget



City of Loma Linda

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DATE: June 13, 2006

TO: Honorable Mayor and City Council

FROM: Dennis Halloway, City Manager
Diana De Anda, Finance Director

SUBJECT: 2006/2007 Preliminary Budget

INTRODUCTION

It is our pleasure to present the 2006/2007 Fiscal Year Budget for the City of Loma Linda and the Loma Linda Redevelopment Agency. Because of its significance as a funding and policy document, preparation of the City's annual budget is one of the most critical tasks undertaken by the City Council and staff each fiscal year. As emphasized in prior years, this plan represents the efforts of many people, including the Community through the Citizens' Budget Committee.

This budget sets forth this year's spending plan, along with applicable funding resources, to meet the service requirements of Loma Linda's residents, businesses, and institutions. This budget also continues the fundamental spending pattern that has been established over the past several years.

The budget addresses a variety of community priorities, as established by the City Council, Budget Committee and staff. These priorities include:

- Maintaining a policy of fiscal prudence - by presenting a balanced General Fund budget – revenues and other resources of \$14,183,100, and expenditures and other uses of \$13,901,900.
- Continuing to maintain the Loma Linda "rainy day reserve," which was established in fiscal year 2001/2002. For both fiscal year 2005/2006 and 2006/2007 an additional \$250,000 will be added, as proposed by the Budget Committee. Currently the balance is \$2,000,000 or 14.1% of the General Fund budget with the additional contributions the new ending balance will be \$2,500,000 or 18%.
- Transfer an additional \$50,000 to the "Capital Equipment Replacement Reserve" established in fiscal year 2003/2004 by City Council bringing the current balance to \$200,000.

ECONOMIC OUTLOOK

As noted by various economic indicators, the U.S. economy has been growing steadily over the past couple of years and is projected to continue growing through 2007. The national economy is forecast to continue expanding at a slower, but steady pace. The nation's jobless rate has been steadily declining since peaking at 6.0% in 2003 and is expected to continue on this course. The unemployment rate is forecast to drop to 4.8% in 2006 and 4.5% by the latter part of 2007. Given the decline in the unemployment rate, an expectation of increased wages and salaries over previous years, and the availability of net disposable income, consumer spending is again expected to continue fueling economic growth. Increases in business investments for new productive equipment, primarily in the areas of technology and transportation, are expected to be a main contributor to the economy. State and Local government spending is expected to increase after several years of budget cut-back. Federal spending, on the other hand, has been steadily slowing down due to the growing federal deficit and only a modest growth is projected for the next couple of years, primarily due to the ongoing wars in Afghanistan and Iraq, coupled with the recovery measures for the hurricane-devastated Gulf Coast. As had been predicted, the country's monetary policy became more restrictive over the last few years, increasing the federal funds rate to 4.5% at the beginning of 2006. Forecasts indicate that the federal rate is targeted to be increased to 5.0% during 2006, leading to a higher prime rate of 8.0% by the end of 2006. Unlike the short-term rates, long-term rates have only been slightly affected by the changes in the federal funds rate with mortgage rates expected to end at 6.6% for 2006 and 7.0% in 2007, which in turn will result in a further slowdown of the housing market. Consumer confidence, business investment, government spending and job growth should continue to positively contribute to the overall performance of the national economy.

According to the Los Angeles County Economic Development Corp. (LAEDC), the Inland Empire (Riverside-San Bernardino area) experienced a good economic year in 2005, which is projected to continue in 2006. The Inland Empire will continue its pace in job growth with an increase of 2.1% in non-farm employment through 2006. Numerically, this equals 25,200 jobs for the area. The unemployment rate is projected to decline to 4.9% during 2006, contributing to the projected increase in personal income over the year. The Riverside-San Bernardino area is projected to once again lead the state in new residential construction activity, although overall this sector is expected to decline by 4.2% in 2006. With the area population numbers continuing to climb, growth pressures and the basic principles of supply and demand have been driving housing prices up. San Bernardino County's median home price is now reported to have reached \$360,000, a jump of 18.4% from a year ago in April. According to Jack Kyser, chief economist for the LAEDC, "San Bernardino County certainly seems to be the healthiest sector in the housing market".

STATE ECONOMY AND BUDGET IMPACT

Similar to the U.S. economy, the California economy is showing healthy growth signs. The unemployment rates fell to 4.8% in January and March of 2006. As of November 2003, 560,000 more jobs have been created in the state. In 2005, 255,000 non-farming jobs were added to the economy. Personal income grew by 6% in 2005, contributing to the growth reported in consumer spending. Current forecasts project a continuation of

personal income growth by 6.2% in 2006 and 5.8% in 2007. Additionally, made-in-California exports have grown by 6.2% in 2005. Since the second quarter in 2005, residential real estate markets and construction have started to slowdown. Although price appreciation for resale homes has remained in the double digits on a year-to-year basis, new home prices have declined to the single digits. In the same way as the national economy, California is expected to maintain a slower, but steady economic growth. Higher energy costs, possible higher interest rates and the slowing on the residential house market will be the main factors contributing to the state's economy for the next couple of years.

On May 15th, 2006 the Governor proposed his revised budget, which includes a projected \$4.8 billion in additional revenues for the current year and 2.7 billion for 2006/2007. The Governor plans to spend the additional revenue on various key programs such as pre-payment of debt, fully funding education, public safety, disaster preparedness and public health. The following are May revisions proposed to the State budget - **not** included in the City budget:

- Early repayment of Proposition 42 (transportation funding) borrowed in fiscal year 2004/2005 – Loma Linda's allocation would be \$63,663.
- Proposition 42 funding for fiscal year 2006/2007 proposed by the Governor – Loma Linda's allocation would be \$91,375.
- State mandate cost reimbursements – currently proposed is a \$98 million reimbursement to local governments of prior year deferred payments. The key mandate claimed by the City is the "Open Meeting Act (Brown Act) Notices", recouping between \$18,000 and \$20,000 annually.
- Increase funding for Citizens' Options for Public Safety (COPS) of 21.3 million – currently the City receives \$100,000 annually, we do not have a city-by-city breakdown of the increase as of this printing.
- Early payment of \$1 billion for the economic recovery bonds, associated with the "triple flip", scheduled to be fully paid in 2010 – if approved; the repayment schedule would be reduced to 2009, ending the "triple flip" method for sales tax allocations early.

In fiscal years 2004/2005, local governments were asked to support the Governor's Budget/Constitutional Protection Package. The Package calls for \$1.3 billion in contributions from cities, counties, special districts and redevelopment agencies for the fiscal years 2004/2005 and 2005/2006, with the VLF Backfill Loan of 2003/2004 constitutionally guaranteed to be repaid to cities and counties in fiscal year 2006/2007 and repayment of previously deferred mandate reimbursements to local agencies starting in 2006/2007. The \$1.3 billion was divided among cities, counties and special districts, each contributing \$350 million, and redevelopment agencies contributing \$250 million. The following items are from the State budget package that continues to affect Loma Linda:

- The "Triple Flip", this complicated funding mechanism was approved in March of 2004 by the state to create a "new" revenue stream needed to repay \$15 billion in economic recovery bonds issued by the state. The first flip was to repeal ¼-cent of the local one-cent sales tax. The second flip calls for the state to enact a new

¼-cent sales tax, dedicated to deficit reduction (bond payments), leaving the overall sales tax rate paid by consumers unchanged. The third and final flip calls for the state to backfill the revenue lost by local agencies with property taxes from the Education Revenue Augmentation Fund. The concerns raised in prior years were in regards to cash flow frequency, and interest earning losses. To date, the City has not experienced any significant negative economic effects as a result of the triple flip.

- The Vehicle License Fee (VLF) Property Tax swap boils down to the state replacing the current VLF backfill with an equivalent amount of property tax. On a positive note, subsequent to the base year of 2004/2005, future revenue growth would be in proportion to the growth in gross assessed valuation within the city, including redevelopment areas.
- Loss of booking fee reimbursements, for fiscal year 2006/2007 - The impact on the city is a net increase in Police service expenditures of \$33,600.
- Continued funding for Citizens Option for Public Safety (COPS) grant funding, which provides \$100,000 annually to supplement the Police service budget. The city has consistently used these grant funds to pay for the much needed Sheriff's Service Specialist position.
- The ongoing Education Relief Augmentation Fund (ERAF) property tax shift, contributions from redevelopment agencies of \$250 million; for the Loma Linda Redevelopment Agency this totals approximately \$363,700.

There are still a number of processes that need to occur before we know what the final State's budget impact will be. Assembly and Senate Budget Subcommittees review the Governor's proposals and then submit recommendations for adoption by the full Assembly and Senate Budget Committees. The full membership of both houses votes on the recommendations of their respective Budget Committees. Subsequently, a Joint Budget Conference Committee is formed to sort out different approaches taken by the two legislative houses and reports a final budget to both houses for approval. Although the deadline for a final budget proposal is June 30, it is unclear as to what the final schedule will be this year.

Loma Linda, like many cities in the state, has witnessed the impact of steady economic growth. The City has seen, and is projected to continue seeing, additional increases in population, job growth and housing in the next few years. Also, like most cities, Loma Linda is faced with the challenges of increasing demands on city services (parks, police, fire and general community services) that immediate growth brings. In efforts to address the additional demands for services, staff is currently working on several projects to maintain solid economic growth for the community, while preserving the existing level of services to the community. Staff is working diligently to make these projects a reality for the near future.

REVENUE OUTLOOK

In Loma Linda, as in most cities, the General Fund is the main source of funding for general city services, responsible for over 32.6% of the nearly \$43.6 million total city revenue budget. General Fund revenues for fiscal year 2006/2007 are anticipated to be 7% higher than the current fiscal year revised budget. General Fund revenue comes from

a variety of sources. There are, however, six main revenue sources: sales and use tax; refuse service charges; motor vehicle license fees and in lieu taxes; overhead payments from other funds; building permits; and property taxes. As discussed in previous years, it is important to emphasize the structure of the City's finances continues to be highly dependent upon a limited number of sources and is highly vulnerable to changes in the national, state, and local economies.

General Fund:

- Sales Tax - Sales tax for the current fiscal year, 2005/2006, is estimated to finish at \$2,474,400, which is about 9% higher than originally estimated due to increases in sales activities. With the economy steadily recovering, we are predicting a conservative growth of 6% for fiscal year 2006/2007. Most of the City's sales tax, the City's largest source of General Fund revenue (\$2,631,000 for fiscal year 2006/2007) is generated by just seven businesses. These seven businesses generate approximately 75% of the total sales tax revenue. Adding to the issue is the reality that all of these businesses are engaged in activities that are highly sensitive to economic stability. Any negative change in the regional or national economy can result in a significant impact on this revenue source.
- Refuse Service Charges – The refuse service charges are billed and collected by the city. Currently, the refuse collection and disposal activities are provided through an exclusive contract with Waste Management. Revenues are projected to increase by 3% over last year to \$2,169,100. The revenues are designated to offset the cost of the contractual service agreement (85% of revenues collected) and city staff time and materials for billing and collections (15% of revenues.)
- Motor Vehicle License Fee (VLF)/Property tax in Lieu of (VLF) – What we used to receive as the VLF tax, since 1948, had been 2% of the current value of registered vehicles, but is now made up of two different funding sources. The first source is the actual VLF based on 0.65% of the current value of registered vehicles. The second source is property tax (property tax in lieu of VLF) in an amount that would bring the City's total share up to 2% (including the 0.65% of actual VLF) for fiscal year 2005/2006. The increase for fiscal year 2006/2007 is based on the growth in gross assessed valuation, which includes any growth within a redevelopment project area. The combined total of actual VLF and property tax in lieu is conservatively budgeted at \$1,525,000, representing a modest growth of 3%.
- Overhead – General fund administrative charges to other funds are calculated as a percentage of expenditures/expenses in those funds. The overhead charge is to reimburse the general fund for administrative support in association with the operation of those funds.
- Property Tax – Although property values have been steadily increasing and resale of existing homes continues at a constant pace, revenue from property taxes is conservatively projected to increase by 1.5% over last year's budget. Property tax is one of the top six general fund revenue sources, but is limited in its growth

potential by three factors: 1) the large percentage of exempt property within the community; 2) the amount of property within the redevelopment agency; and 3) the low percentage rate (11.7%-11.8%) of the 1% property tax assessed that is received by the City. Property tax is budgeted at \$941,000 for fiscal year 2006/2007, which includes \$177,700 release of the ERAF III State takeaway.

EQUIPMENT CAPITAL OUTLAY EXPENDITURES

In order to minimize use of the General Fund's fund balance, and the two designated reserves (Rainy day reserve and Capital equipment reserve), or the fund balance of other funds, only essentially needed capital outlay items have been included in the current proposed budget:

City Funds:

- New Network Enterprise Blade Servers
- Software Updates with Desktop and Server Licenses
- Security Solution Software
- Audio Visual Media Control Center and Council Chamber upgrades (shared with RDA)
- Fire atmospheric monitors
- Flatbed Asphalt Tack Truck (shared by Sewer & Water)
- Remote radio upgrade for Water Department

Loma Linda Connected Communities:

- Quad 2 Phase 2 – Bryn Mawr to Beaumont Bridge
- Quad 3 Phase 3 – Van Leuven to North Central Neighborhood
- Quad 4 Phase 2 – Oakwood, Campus Loop, Mountain View to North Central Neighborhood
- Network equipment for Head End, MDF's and Residences
- Servers
- Storage Area Network (5TB)

OPERATING HIGHLIGHTS AND OTHER SIGNIFICANT ITEMS

- As part of the ongoing effort to repay the City's Water Enterprise Fund for money used to acquire property in the South Hills for the City's new 8 million gallon water reservoir, the final payment of \$152,500 is included in the General Fund Budget.
- The Public Employees Retirement System (PERS) employer contribution rate continues to increase. Prior to fiscal year 2004/2005, based on actuarial analysis, the City was in a surplus position, which required no employer contribution into the system from the City. For fiscal year 2006/2007 the required contribution rates were set at 8.9420% for Miscellaneous employees and 13.786% for Safety employees, compared to 8.490% and 13.278%, respectively, for fiscal year 2005/2006, translating into an approximate \$45,000 dollar increase for employee benefit costs.
- After many years being vacant the position of Assistant City Manager will be filled. The position will be filled from inside and thus the financial impact will be

minimal. The purpose for filling this position is to prepare the next generation for positions in management of the city.

- Police Services provided through a contractual service agreement with the San Bernardino County Sheriff's Department will be adding 1.5 deputies and 1 sheriff's service specialist, increasing the current service level provided to the community. Funding for this increase will be provided from revenues received from the new redlight enforcement camera program installed January of 2006.
- Community Development is responsible for reviewing all development projects for compliance with the City's General Plan, Zoning and Subdivision Ordinances, California Building Code requirements (and other state and federal codes and regulations). Towards that end, the department processes and reviews various types of Planning and Building applications, and prepares and/or reviews environmental documents associated with development projects. Over the next fiscal year, the Department anticipates the construction of around 588 residential units and an estimated increase to the City's population of 1,675, which will raise the current population from 21,912 to 23,587. Building and Planning staff will be handling more development and construction applications than in any other time in Loma Linda's history as a City. At the same time, planning staff will be putting the final touches on the new General Plan and beginning the preparation of a consolidated Development Code (to ensure consistency and compliance with the new General Plan).

The department also provides Code compliance services to the community. Enforcement and outreach activities are handled by two Code Enforcement Officers who work very closely with Planning and Building staff and the Sheriff's Department. While the officers are responsible for enforcing City Codes citywide, much of their attention is focused in the North Central Neighborhood, the Northwest Neighborhood, and along Redlands Boulevard. As conditions improve in the North Central Neighborhood, additional areas will be identified for future Code compliance and outreach activities.

- The Loma Linda Senior Center (The Gathering Place) is operated by the Community Development Department and the day-to-day operations are now managed by a part-time, on-site Programs Manager. During this fiscal year, the Manager will be maintaining and improving existing programs, and developing new ones. A monthly luncheon program has been added to the mix and the Manager is studying the community need for a hot lunch and nutrition program.
- The Fire Department is responsible for the administration of parking control, fire prevention, fire and rescue services, and disaster preparedness. The parking control program oversees the enforcement of City and State vehicle parking codes, the parking control officer provides for regular and consistent patrolling of City streets in order to facilitate the best use of the designated parking areas. The fire prevention program continues the ongoing efforts to prevent and reduce the incidences of fire throughout the City, through programs such as weed abatement, fire and safety occupancy inspections, fire protection plan checks and inspection

services, and public safety education. The goals for the fire and rescue division are to maintain a five-minute response criteria on 80% of responses City-wide; finalize the manufacturing, delivery and equipping of the new ladder truck and fire engine; and oversee the opening and ongoing operations of a temporary fire station in the north end of the City. Additionally, the fire preparedness program continues to support and facilitate increased utilization of community volunteers through on-going classes, and by providing focused training for CERT (Community Emergency Response Team) and RACES (Radio Amateur Civil Emergency Service) members.

- Public Works is planning various capital improvement projects for fiscal year 2006/2007. The Parks division is planning to do site improvements to the new Heritage Park, add softball fields and shelters at Leonard Bailey Park and install an additional parking lot and tennis courts at Hulda Crooks Park. The Street division plans to install traffic signals at Mt. View Ave. and Mission Rd.; and Barton Rd. and San Timoteo Rd., which is shared with the City of Redlands. Additionally, the Street division is overseeing the installation of the Beaumont Ave. Bridge, railroad quiet zone study at Beaumont Ave. and Anderson St. pavement rehabilitation from the I-10 freeway to the Channels. Other Public Works projects include the installation of a storm drain at Anderson St. between Academy St. and the San Timoteo Channel and a storm drain at the railroad crossing from Benton St. to San Timoteo Channel.
- The Public Works Utility Division is proposing to 1) upgrade the pump capacity equipment at Mt. View Well No. 3 and drill a new well at Bennett Well Site; 2) replace and upgrade existing waterlines at Stewart St., Sierra Vista Dr., and at Prospect Ave. between Anderson St. and Hillcrest Ave.; 3) upgrade and replace existing water meters and valves throughout the City; and 4) upgrade and replace existing sewer lines along Redlands Blvd., and update the sewer master plan.
- The Public Works Refuse and Recycling Divisions are taking proactive steps to achieve the State's Assembly Bill AB 939 to divert 50% of waste from the landfill. The recycling coordinator is promoting waste prevention, recycling and composting on the City's website as well as through public media and City events. The City has an existing three-cart recycling program for the residential sector of the City that has been operating successfully. The City is working to develop additional programs for the Commercial sector to increase participation. The goals are to educate the consumers to buy products made of recycled materials and products that can be reused and repaired; and to make manufacturers take greater responsibility for the proper disposal of their products.
- In 2004, the City was awarded a major federal street improvement grant for Mountain View Bridge Widening, due to the third year of delays; the project was carried over once again into fiscal year 2006/2007.

CAPITAL IMPROVEMENT PROGRAM: Addressing Community Priorities

The five-year Capital Improvement Program (CIP) for 2006/2007 through 2010/2011 is a plan to construct proposed capital improvement projects and provide for the estimated costs. Capital improvements are funded by a variety of sources including: General Fund available fund balance, Enterprise Fund equity, State Gas Tax, Federal roadway and traffic funds, Redevelopment Agency funds, State Park Bond funds, Community Development Block Grants (CDBG) funds, and expenditure sharing agreements with adjacent municipalities and the County. The five-year plan is reviewed and updated annually by City Council to confirm or reorganize projects to reflect current priorities and capital improvements to be included in the coming year's budget. For fiscal year 2006/2007, the Capital Improvement Program includes: fleet vehicle replacements, general buildings improvements, street improvements, park improvements, sewer and storm drain system improvements; and water production and distribution system improvements.

Some of the projects are continuations of projects that were budgeted in the prior year and were not yet completed. The uncompleted portions of the projects have been re-budgeted for fiscal year 2006/2007. The following are among the most significant projects proposed:

Sewer:

- Sewer line upsize from 10" to 12" along Redlands Blvd.
- Sewer Master Plan

Water:

- 12" waterline installation at Stewart St. between Campus St. and Anderson St.
- 8" waterline installation at Sierra Vista Dr. between Barton Rd. and the south end of town
- Waterline at Prospect between Anderson St. and Hillcrest.
- Mt. View Well #3 upgrade pumping capacity
- Prepare the Plans and Specifications for Bennett Well
- Drill Bennett Well site at Richardson Street
- Install additional radio read meters

Measure I funded:

- Beaumont Avenue Bridge (partial funding from IVDA \$171,500)
- Lawton Avenue pavement rehabilitation between Mt. View Avenue & Whittier Avenue
- Anderson Street rehabilitation from the I-10 freeway to the Channel
- Railroad quiet zone study
- Pavement striping city wide

Capital funds:

- Storm drain at Anderson St. between Academy St. and San Timoteo Channel
- Storm drain crossing the railroad at Benton St. to San Timoteo Channel (partial funding from RDA)
- Traffic signal at Barton Rd. and San Timoteo Rd (shared with Redlands & San Bernardino County)
- Traffic signal at Mt View Ave. and Mission Rd.

- Mt. View bridge widening project funded by HBRR, Measure I and Redevelopment
- Sidewalk at Orange grove and Academy Street
- New carpet in Administration and main City Hall corridor

Parks:

- Parking lot and tennis courts at Hulda Crooks Park (State Park Bond funding)
- Softball fields and shelter improvements at Leonard Bailey Park
- Heritage Park historic house site improvements
- Hulda Crooks Park improvements
- Loma Linda Ballpark lighting improvements
- Replace trees and landscape irrigation at various parks throughout the City
- Install security systems, cameras, access points, building access and irrigation control systems

Street Lighting Special Assessment District:

- Upgrade street lights at intersections
- Upgrade safety lighting and street name signs at various locations
- Replacement of all illuminated street name signs

Grant Funded:

- Land acquisition for EPA project
- Lind Street improvements (CDBG/RDA funding)

State Infrastructure Bond Funding:

- Anderson St. I-10 on ramp widening for east bound traffic (SB1266)

Redevelopment Agency:

- Aerial Ladder Fire Truck/Equipment – Bond Proceeds
- Fire Engine/Equipment – Bond Proceeds
- Auto Center Signage – Bond Proceeds
- Civic Center Solar Panel Project – Bond Proceeds
- Senior Center Kitchen Improvements – Bond Proceeds
- Senior Center Office Improvements – Bond Proceeds
- Library Expansion – Bond Proceeds
- Redlands Boulevard Landscape Median – Bond Proceeds
- North Side Redlands Boulevard underground utilities – Bond Proceeds
- Benton Street Storm Drain – Bond Proceeds
- Mt. View Bridge widening – Bond Proceeds
- Lind Street Improvements – Bond Proceeds
- Orange Grove/Academy Street Improvements – Bond Proceeds
- Loma Vista Drive and San Juan Pavement Rehabilitation
- Redlands Blvd Sidewalk Installation
- Beaumont Avenue Bridge

For the full detail on the five-year Capital Improvement Plan (CIP) please refer to the appendix included in the budget document.

GENERAL FUND RESERVE

The total General Fund balance at 6/30/2006 is estimated to be \$5,232,550. As mentioned previously in this message, one consistent priority of the Budget Committee

has been to maintain and possibly increase the Loma Linda's General Fund "rainy day reserve," which has a current balance of \$2,000,000 or 14.1% of budgeted expenditures, but is budgeted to increase to \$2,500,000. In fiscal year 2003/2004, City Council approved a reserve be established for future capital asset replacements based upon the recommendation of the Budget Committee. For the last three fiscal years, \$50,000 was transferred into the Equipment replacement reserve. An additional \$50,000 has been proposed for fiscal year 2006/2007. Both reserves are now identified in the budget as separate designations of total available fund balance, at the end of fiscal year 2006/2007, \$2,863,750 is projected as undesignated and unreserved fund balance.

ENTERPRISE FUNDS

- The Loma Linda Connected Communities Program (LLCCP): The purpose of the program is to provide Loma Linda residents and businesses with opportunities for voice, data, video, multimedia, home automation systems, environmental control, security, audio, television, sensors, alarms, and intercom services. The program establishes the standardized requirements for residential and commercial telecommunications cabling systems. The initial intent is to connect new development to the system, with the long-term goal of extending these services to the entire community. Fiscal year 2004/2005 saw the installation of the fiber optic backbone and related equipment to complete Quad 2 Phase 1, Quad 2 Phase 1 and Quad 4 Phase 1 impacting Anderson Ave, Redlands Blvd, Mountain View and Barton Rd. Distribution feeders impacting Richardson St, Corporate Business Center, Mountain View Plaza, Prospect St, Oasis Apartments, Jerry Pettis VA Hospital, Loma Linda University, Loma Linda University Medical Center, Loma Linda Academy, and Sierra Vista Dr. The goals for fiscal year 2006/2007 are to complete Quad 2 Phase 2 – Byrn Mawr to Beaumont Bridge, Quad 3 Phase 2 – Van Leuven back to the North Central Neighborhood, and Quad 4 Phase 2 – Oakwood, Campus Loop, and Mountain View to North Central Neighborhood. Additionally, the LLCCP department hopes to integrate security system components, secure wireless components; and expand the LLCCP servers and Storage Area Network (SAN).
- The Water and Sewer Funds for the proposed fiscal year will be focused on the continued improvement of the aging infrastructure and expansion of the systems to accommodate increased capacities for new growth. The major projects include the replacement of aging water and sewer lines throughout the City and drill a new well at the Bennett well site. Upgrade and replace old water meters with new radio read meters.

REDEVELOPMENT, HOUSING AND ECONOMIC DEVELOPMENT

The Redevelopment Agency's work plan includes coordination with major property owners to develop a 300-acre mixed-use residential/commercial, office, and business park project on the City's east end. Economic Development continues to focus on business attraction/retention as well as programs to benefit the business community and the continued exploration of technology transfer opportunities in conjunction with Loma Linda University Medical Center. Other economic development efforts will include the

expansion of the existing auto center and undergrounding utilities on Redlands Blvd. from the west to the east city limits, with the first phase planned for the area between Anderson Street and Mountain View Ave. as part of the development plan to revitalize the Redlands Blvd. Corridor.

After several years of increases in assessed valuation of properties within the Redevelopment Agency, which generates additional tax increment; in fiscal year 2005/2006, the merged Redevelopment Agency issued \$15.1 million in tax exempt bonds and \$10.4 million in taxable bonds (Subordinate Tax Allocation Bonds – Series A and Series B, respectively.) Although, bond proceeds are restrictive in their use, these much needed dollars can help fund essential revitalization efforts included in the redevelopment plan. As part of this budget, management has included fire safety equipment, various street infrastructure improvement projects & community facilities improvements projects.

The Redevelopment Agency has taken an aggressive stance in the effort to reduce the affordable housing deficit. For the past few years the Redevelopment Agency, through its Low-Moderate Housing Program, has focused on land acquisition in the North Central Neighborhood. Acquisition of property in the area has been very successful. For fiscal year 2006/2007 the Agency is anticipating the development of approximately 8 acres on the east side of Poplar Street, south of the San Timoteo Creek Channel, involving mixed housing types of approximately 80-100 units. The Agency is continuing to assemble parcels on the west side of Poplar Street south of the San Timoteo Creek Channel and is anticipating a mixed housing development similar to that proposed on the east side of the street. Additionally, the Agency is working with Habitat for Humanity to further the housing efforts in our community, this year the house on Park Avenue was occupied and three more are planned for the North Central Neighborhood. The Agency is hoping to complete the placement of three manufactured homes in the North Central Neighborhood for sale to income-qualified buyers. The Agency continues to provide assistance to income-qualified owner-occupants of mobile homes and single-family residences, as well as owners of investment properties to provide safe, sanitary and affordable housing to its residents. During fiscal year 2005/2006, the Agency protected long-term covenants through property acquisitions and its First Time Homebuyers Program and continues to strive to reduce the City's low and moderate housing deficit.

CONCLUSION

Consistent with the Community Priorities set by City Council, the Citizens Budget Committee and Staff, the proposed budget is a solid "maintenance" budget. It is anticipated that the General Fund will end fiscal year 2006/2007 with an available balance of \$5,563,750. Of this amount, the City has formally designated \$2,500,000 as a "budget reserve", and \$200,000 for Capital Equipment Replacement. Although we have factored in the ongoing impacts in funding sources expected from State budget proposals, there could be more changes once the State budget reaches its final form. As information becomes available, Council will be updated on the situation.

On a final note, we would like to thank all of those who have contributed to the preparation of this budget. We want to extend a special thanks to the Citizens' Budget Committee, Finance Department staff, and department heads for their diligent efforts. As always the guidance and participation of the City Council is greatly appreciated.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LOMA LINDA, CALIFORNIA, AUTHORIZING A LOAN TO
THE LOMA LINDA REDEVELOPMENT AGENCY IN THE
SUM OF \$2,902,400

WHEREAS, the Loma Linda Redevelopment Agency requires periodic funding to carry
out the redevelopment of the Loma Linda Redevelopment Project Areas; and

WHEREAS, the City is authorized to provide financial assistance to the Agency;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Loma Linda
that:

1. The loan of \$1,508,200 in cash and \$1,394,200 of deferred interest to the Loma
Linda Redevelopment Agency is hereby approved and recognized.
2. Said loan shall bear interest at the rate of twelve percent (12%) and shall be repaid
to the City at such time as receipt from the Loma Linda Redevelopment Agency
shall permit.

PASSED APPROVED AND ADOPTED this 13th day of June 2006 by the following
vote:

Ayes:
Noes:
Absent:
Abstain:

Floyd Petersen, Mayor

ATTEST:

Pamela Byrnes-O'Camb, City Clerk

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LOMA LINDA, CALIFORNIA ADOPTING AN AMENDED
CITY APPROPRIATIONS LIMIT FOR FISCAL YEAR 2006-
2007 IN ACCORDANCE WITH THE PROVISIONS OF
DIVISION 9 OF TITLE 1 OF THE CALIFORNIA
GOVERNMENT CODE

WHEREAS, Article XIII B of the Constitution of the State of California as proposed by the Initiative Measure approved by the people at the special statewide election held on November 6, 1979 and amended in June 1990 by the people of the State of California (Proposition 111), provides that the total annual appropriations subject to limitations of each local government shall not exceed the appropriations limit of such entity for the prior year adjusted for changes in the cost of living and population except as otherwise specifically provided for in said Article; and

WHEREAS, the State Legislature added Division 9 (commencing with Section 7900) to Title 1 of the Government Code of the State of California to implement Article XIII B of the California Constitution; and

WHEREAS, Section 7910 of the Government Code provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year pursuant to Article XIII B at a regularly scheduled meeting or a noticed special meeting and that fifteen days prior to such meeting, documentation used in the determination of the appropriations limit shall be available to the public; and

WHEREAS, Proposition 111 as approved by the voters of the State of California, requires a recorded vote of the City Council regarding which of the annual adjustment factors have been selected each year; and

WHEREAS, Section 7902(a) of the Government Code sets forth the method for determining the appropriations limit for each local jurisdiction for the 2006-2007 Fiscal Year; and

WHEREAS, the City Council of the City of Loma Linda wishes to revise the appropriations limit for fiscal year 2006-2007 for the City of Loma Linda, California;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Loma Linda, California, as follows:

SECTION 1. That it is hereby found and determined that the documentation used in the determination of the appropriations limit for the City of Loma Linda for Fiscal Year 2006-2007 was available to the public in the Finance Department of said City at least fifteen days prior to this date.

SECTION 2. That the growth in California Per capita income and County of San Bernardino Population have been selected for Fiscal Year 2006-2007.

SECTION 3. That the City of Loma Linda reserves the right to change or revise any growth factors associated with the calculation of the Proposition 111 limit if such changes or revisions would result in a more advantageous appropriations limit including non-residential assessed valuation data not currently available.

SECTION 4. That the appropriations limit for the City of Loma Linda as amended in accordance with Section 7902(a) of the California Government Code is \$29,641,073 as set forth in "Exhibit A" included herewith.

PASSED, APPROVED AND ADOPTED this 13th day of June 2006 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

ATTEST:

Floyd Petersen, Mayor

Pamela Byrnes-O'Camb, City Clerk

Proposed - Not Final

**SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF LOMA LINDA
FY06/07**

Eff: 7/1/06 - Add 1 Deputy, 1 Sheriff's Service Specialist & 1 Mid-size P/U w/MDC
Eff: 1/1/07 - Add 1 Deputy

<u>LEVEL OF SERVICE</u>	<u>FY06/07 COST</u> ¹
0.39 - Lieutenant	\$ 67,528
1.68 - Sergeant	251,933
1.11 - Detective/Corporal	144,552
10.65 - Deputy Sheriff	1,269,708
2 - Sheriff's Service Specialist	125,274
2.35 - Office Specialist (Formerly Station Clerk)	132,499
0.27 - Motor Pool Services Assistant	16,009
5.5 - Marked Unit	124,531
1 - Unmarked Unit	14,463
1 - Ford Escape - Citizen Patrol	7,940
1 - Mid-size Pickup	7,210
1 - Ford Ranger	4,876 ²
Dispatch Services	122,166
2 - Additional MDC	4,762
Administrative Support	11,779
Facility Costs	3,380
Office Automation	1,767
Services & Supplies	11,755
Vehicle Insurance	2,558
Personnel Liability & Bonding	27,144
County Administrative Cost	64,243
Startup Costs	4,000
TOTAL COST:	\$ 2,420,077 ¹

Monthly Payment Schedule:

1 st payment due July 15, 2006:	\$201,674
2 nd through 12 th payments due 5 th of each month:	\$201,673

¹ Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.



City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Robert Ziprick, Councilmember
Charles Umeda, Councilmember

COUNCIL AGENDA: June 13, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager

FROM: Diana De Anda, Finance Director

SUBJECT: FY 2006-07 COPS Grant Allocation

RECOMMENDATION

That the Mayor and Council approve the City's expenditure plan for FY 2006-07 Supplemental Law Enforcement Services Funds (also known as the "COPS Grant") as discussed below and included in the Proposed FY 2006-07 City Budget.

BACKGROUND

Although the funds and expenditures have been included as part of the FY 2006-07 Proposed City Budget, the County's Law Enforcement Oversight Committee (the entity responsible for administering the funds for the State) requires that the Council approve the expenditure plan for the COPS grant as a separate item from the City budget.

The estimated use of COPS funding by the City for FY 2006-07 is \$100,900. As the City has done in previous years, the COPS funds will be used to pay for the cost of the Sheriff's Service Specialist as well as costs associated with the position for an estimated total of \$78,100. Additionally, \$22,800 of COPS funding will be utilized for Citizens Patrol uniforms (\$200) and miscellaneous overtime costs (\$22,600) associated with special law enforcement activities not addressed in the annual contract due to funding constraints in the General Fund.

ENVIRONMENTAL

None.

FINANCIAL IMPACT

As required by State regulations related to the grant, COPS grant revenue is budgeted and accounted for in a fund separate than the General Fund. Grant funds are then used to reimburse the General Fund for approved expenses incurred as discussed above. (Pages from the proposed FY 2006-07 City Budget reflecting this expenditure plan are attached.)

**CITY OF LOMA LINDA
POLICE
BUDGET SUMMARY 2006-2007**

EXPENDITURES	ACTUAL 2004-2005	BUDGETED 2005-2006	ADOPTED 2006-2007
PERSONNEL	\$ 0	\$ 0	\$ 0
M & O	1,886,279	2,032,700	2,563,100
CAPITAL	0	0	0
TOTAL	<u>\$ 1,886,279</u>	<u>\$ 2,032,700</u>	<u>\$ 2,563,100</u>

SOURCE OF FUNDS

GENERAL FUND	\$ 1,886,279	\$ 2,032,700	\$ 2,563,100
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DEPARTMENTAL GOALS

For Fiscal Year 2006-2007, the City has set the following goals for the Police Program:

1. To continue to provide Law Enforcement services through the established contract with the County of San Bernardino Sheriff's Department.
2. To assist in the coordination and maintenance of grant requirements and grant funding such as the COPS grants.
3. To continue providing programs such as the Neighborhood Watch program, Citizen's Patrol, Crime Free Multihousing, etc.

PROGRAM DESCRIPTION

The police services budget reflects the contract with the San Bernardino County Sheriff's Department, including costs for participation in CAL ID, County booking fees and a Sheriff's Service Specialist assigned to coordinate the Citizen's Patrol and Neighborhood Watch and Crime Free Multihousing programs. Last year the Police Services added the Red Light Camera enforcement program. This year the Police contract will include an increase of 1.5 Deputies (one added at July 1, 2006 and another at January 1, 2007) and the addition of a Sheriff's Service Specialist to assist with the Red light Camera enforcement program.

CITY OF LOMA LINDA
BUDGET FISCAL YEAR 2006-2007

01	GENERAL FUND				
2000	POLICE SERVICES				
<u>ACCOUNT NUMBER</u>		<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>
		<u>2004-2005</u>	<u>2005-2006</u>	<u>2005-2006</u>	<u>2006-2007</u>
MAINTENANCE & OPERATIONS					
01-2000-1830	CONTRACTUAL AGREEMENTS	1,886,278.63	2,032,700.00	2,032,700.00	2,563,100.00
TOTAL	MAINTENANCE & OPERATIONS	1,886,278.63	2,032,700.00	2,032,700.00	2,563,100.00
CAPITAL OUTLAY					
TOTAL	CAPITAL OUTLAY	0.00	0.00	0.00	0.00
TOTAL	POLICE SERVICES	1,886,278.63	2,032,700.00	2,032,700.00	2,563,100.00

**CITY OF LOMA LINDA
BUDGET JUSTIFICATIONS
FISCAL YEAR 2006-2007**

**01 GENERAL FUND
2000 POLICE SERVICES**

TITLE/ACCOUNT NUMBER	Qty	Unit	Unit Cost	Amount
MAINTENANCE & OPERATIONS				
01-2000-1830 CONTRACTUAL AGREEMENTS				
1 .39 - Lieutenant				67,500.00
2 1.68 - Sergeant				251,900.00
3 1.11 - Detective/Corporal				144,600.00
4 10.65 - Deputy Sheriff				1,269,700.00
5 2.00 - Sheriff's Service Specialist				125,300.00
6 2.35 - Station Clerk				132,500.00
7 .27 - Motor Pool Services Assistant				16,000.00
8 5.5 - Marked Units				124,500.00
9 1 - Unmarked Unit				14,500.00
10 1 - Ford Ranger				4,900.00
11 Mid-size pickup				7,200.00
12 1 - Citizen Patrol				7,900.00
13 Dispatch Services				122,200.00
14 Additional MDC				4,800.00
15 Administrative Support				11,800.00
16 Facility Use				3,400.00
17 Office Automation				1,800.00
18 Services and Supplies				11,800.00
19 Vehicle Insurance				2,600.00
20 Personnel Liability & Bonding				27,100.00
21 County Administrative Cost				64,200.00
22 Startup Costs				4,000.00
23 CAL ID Program				15,700.00
24 Booking Fees				33,600.00
25 Overtime				71,000.00
26 Miscellaneous overtime and equipment for special projects. (Covered by COPS grant)				22,600.00
Total Budgeted Amount:				2,563,100.00
TOTAL MAINTENANCE & OPERATIONS				2,563,100.00
TOTAL POLICE SERVICES				2,563,100.00

**CITY OF LOMA LINDA
COPS GRANT FUND
BUDGET SUMMARY 2006-2007**

	ACTUAL 2004-2005	BUDGETED 2005-2006	PROPOSED 2006-2007
EXPENDITURES			
PERSONNEL	\$ 0	\$ 0	\$ 0
M & O	79,927	111,900	100,900
CAPITAL	0	27,000	0
TOTAL	<u>\$ 79,927</u>	<u>\$ 138,900</u>	<u>\$ 100,900</u>

SOURCE OF FUNDS			
INTERGOVERNMENTAL	\$ 77,211	\$ 111,800	\$ 100,700
USE OF MONEY & PROPERTY	2,716	1,000	5,000
REFUNDS & REIMBURSEMENTS	0	0	0
FUND BALANCE	0	26,100	(4,800)
TOTAL	<u>\$ 79,927</u>	<u>\$ 138,900</u>	<u>\$ 100,900</u>

DEPARTMENTAL GOALS

For fiscal year 2006-2007 the goals for the COPS Grant fund are:

1. position.
2. To assist the General Fund with the costs associated with miscellaneous overtime for special law enforcement activities which are not part of the annual contract due to funding constraints.
3. To assist the General Fund in with the purchase of front line law enforcement equipment purchases.

PROGRAM DESCRIPTION

Legislation enactment of Assembly Bill No. 3229, Citizen's Option for Public Safety. Cities are provided funds to supplement existing services in the area of front-line law enforcement, including anti-gang and community crime prevention programs.

CITY OF LOMA LINDA
BUDGET FISCAL YEAR 2006-2007

35 CITIZENS OPTION PUBLIC SAFETY
5430 C.O.P.S.

<u>ACCOUNT NUMBER</u>	<u>ACTUAL 2004-2005</u>	<u>BUDGET 2005-2006</u>	<u>ESTIMATED 2005-2006</u>	<u>PROPOSED 2006-2007</u>
MAINTENANCE & OPERATIONS				
35-5430-1620 UNIFORMS & SAFETY EQUIPMENT	220.02	200.00	100.00	200.00
35-5430-1890 TRANSFERS OUT	79,707.14	111,700.00	87,900.00	100,700.00
TOTAL MAINTENANCE & OPERATIONS	79,927.16	111,900.00	88,000.00	100,900.00
CAPITAL OUTLAY				
35-5430-8220 MACHINERY & EQUIPMENT	0.00	24,500.00	24,500.00	0.00
35-5430-8845 TECHNOLOGY SYSTEMS	0.00	2,500.00	2,500.00	0.00
TOTAL CAPITAL OUTLAY	0.00	27,000.00	27,000.00	0.00
TOTAL C.O.P.S.	79,927.16	138,900.00	115,000.00	100,900.00

CITY OF LOMA LINDA
BUDGET JUSTIFICATIONS
FISCAL YEAR 2006-2007

35 *CITIZENS OPTION PUBLIC SAFETY*
5430 *C.O.P.S.*

<u>TITLE/ACCOUNT NUMBER</u>	<u>Qty</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Amount</u>
<i>MAINTENANCE & OPERATIONS</i>				
35-5430-1620 UNIFORMS & SAFETY EQUIPMENT				
1 Uniforms for Citizens Patrol				200.00
			Total Budgeted Amount:	200.00
35-5430-1890 TRANSFERS OUT				
1 Transfer out to General Fund to reimburse for COPS expenditures paid.				100,700.00
			Total Budgeted Amount:	100,700.00
			TOTAL MAINTENANCE & OPERATIONS	100,900.00
			TOTAL C.O.P.S.	100,900.00

**CITY OF LOMA LINDA
STATEMENT OF INVESTMENT POLICY
FY 2006-2007**

PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

OBJECTIVE

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as investments meet the criteria established for safety and liquidity.

POLICY

The City of Loma Linda operates its temporary pooled idle cash investments under the prudent man rule (Civil Code Section 2261, et sec.)*. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Government Code Section 53600 et seq.).

Investments may be made in the following media:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Negotiable Certificates of Deposit
- Bankers Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook Savings Account Demand Deposits
- Any instruments approved by Code during the course of the year

* The prudent man rule states, in essence, that "in investing. . . property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs. . ."

CHAMBER OF COMMERCE

SUBLEASE AGREEMENT

AMENDMENT NO. 3

WHEREAS, the LANDLORD and CHAMBER have previously entered into a Sublease Agreement, wherein CHAMBER agreed to lease property from the LANDLORD, and;

WHEREAS, the LANDLORD and CHAMBER now desire to amend the sublease agreement and to exercise the first two (2) year option to extend the term.

NOW, THEREFORE, in consideration of mutual covenants and conditions, the parties hereto agree the Sublease Agreement is extended to June 30, 2012, and is amended as follows:

1. ADD a payment schedule to Paragraph 5, "OPTION TO EXTEND TERM", as follows:

First Option to Extend Term:

July 1, 2006 through June 30, 2008 - monthly payments of \$717.08.

Second Option to Extend Term:

July 1, 2008 through June 30, 2010 - monthly payments of \$738.59

Third Option to Extend Term:

July 1, 2010 through June 30, 2012 - monthly payments of \$783.57

2. All other provisions and terms of the Sublease Agreement shall remain the same and are hereby incorporated by reference.
3. In the event the Chamber has a substantial reduction in its source of revenue that requires a reduction in its operating budget, and this change can be reasonable substantiated, the Chamber may terminate this Lease Agreement by providing a thirty (30) day written notice to City and RDA of its election to terminate.
4. This amendment shall be effective July 1, 2006.

END OF THIRD AMENDMENT.

SIGNATURES ON NEXT PAGE

CHAMBER OF COMMERCE

LANDLORD: CITY OF LOMA LINDA

Dated:_____

Dated:_____

ATTESTED

Secretary, Loma Linda Chamber
Dated:_____

City Clerk/Secretary
Dated:_____

OWNER: LOMA LINDA REDEVELOPMENT
AGENCY HEREBY CONSENTS TO THIS
SUB-LEASE.

APPROVED AS TO LEGAL FORM:

City Attorney/General Counsel
Dated:_____

Chairman
Dated:_____




City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Charles Umeda, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: June 13, 2006

TO: City Council

FROM: Dennis R. Halloway, City Manager 

SUBJECT: Lease Agreement with County for Library building

RECOMMENDATION

It is recommended that the City Council approve a Lease Agreement with San Bernardino County for the lease of the Library building that is 5% higher than the previous year.

BACKGROUND

The current Lease Agreement with the County expires June 30, 2006. The lease amount for fiscal year 2005-06 is \$72,060. The current CPI is 4.9%. We have requested an increase of 5% making the new lease amount \$75,660. We have not yet seen the lease that the County is preparing.

RESOLUTION NO.

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT
AGENCY AUTHORIZING ACCEPTANCE OF A LOAN FROM
THE CITY OF LOMA LINDA IN THE AMOUNT OF
\$2,902,400

THE LOMA LINDA REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS
FOLLOWS:

1. The loan of \$1,508,200 in cash and \$1,394,200 of matured unpaid interest authorized by the City Council of the City of Loma Linda is accepted;
2. Said loan shall bear interest at the rate of twelve percent (12%) and shall be repaid to the City at such time as receipt by the Redevelopment Agency shall permit.

PASSED, APPROVED AND ADOPTED this 13th day of June 2006 by the following
vote:

Ayes:
Noes:
Absent:
Abstain:

Robert Ziprick, Chairman

ATTEST:

Pamela Byrnes-O'Camb, Secretary

RESOLUTION NO.

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT
AGENCY AUTHORIZING A LOAN TO THE CITY OF LOMA
LINDA, CONNECTED COMMUNITIES PROGRAM IN THE
SUM OF \$2,700,000

WHEREAS, the Loma Linda Connected Communities Program requires periodic funding to carry out the operations of the program and repay prior debt incurred; and

WHEREAS, the Redevelopment Agency is authorized to provide financial assistance to the City;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency Board of the City of Loma Linda that:

1. The loan of \$2,700,000 in cash from taxable bond proceeds to the City of Loma Linda Connected Communities Program is hereby approved and recognized.
2. Said loan shall bear interest at a rate equivalent to the rate of the taxable bonds outstanding and shall be repaid to the Agency at such time as receipt from the Loma Linda Connected Communities Program shall permit.

PASSED APPROVED AND ADOPTED this 13th day of June 2006 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Robert Ziprick, Chairman

ATTEST:

Pamela Byrnes-O'Camb, City Clerk

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LOMA LINDA AUTHORIZING ACCEPTANCE OF A LOAN
FROM THE LOMA LINDA REDEVELOPMENT AGENCY IN
THE AMOUNT OF \$2,700,000

THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES HEREBY RESOLVE
AS FOLLOWS:

1. The loan of \$2,700,000 in cash from Redevelopment Agency taxable bond proceeds authorized by the City Council of the City of Loma Linda is accepted.
2. Said loan shall bear interest at a rate equivalent to the rate of the taxable bonds outstanding and shall be repaid to the Redevelopment Agency at such time as receipts by the Loma Linda Connected Communities Program shall permit.

PASSED, APPROVED AND ADOPTED this 13th day of June 2006 by the following
vote:

Ayes:
Noes:
Abstain:
Absent:

Floyd Petersen, Mayor

ATTEST:

Pamela Byrnes-O'Camb, Secretary

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA, CALIFORNIA, ADOPTING THE FINAL BUDGET FOR THE CITY OF LOMA LINDA FOR THE FISCAL YEAR COMMENCING JULY 1, 2006 AND ENDING JUNE 30, 2007

THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE AS FOLLOWS:

SECTION 1. That the Budget for the City of Loma Linda for the fiscal year commencing July 1, 2006 and ending June 30, 2007, as prepared and submitted by the City Manager and as modified by the City Council, is hereby approved and adopted as the Budget of the City of Loma Linda for said fiscal year.

SECTION 2. That from the effective date of said Budget, the several amounts stated therein as proposed expenditures shall be and become appropriated for the several departments, offices, and agencies of the City with respective objects and purposes therein set forth subject to expenditure pursuant to the provisions of all applicable ordinances of the City and statutes of the State.

SECTION 3. That the authority granted for making expenditures from other than the General Fund shall be limited to the actual amount of money received from the source of funds indicated in the Budget for each department, section, or purpose, and no liability upon the General Fund is assumed nor can be imposed in excess of such amounts as may be provided therefor in this Budget from the General Fund. In the event the amounts of money received and credited to the special funds exceed the amount herein estimated, such excess receipts shall be considered deferred allocations in such special funds, contingent upon such receipt and no expenditure thereof made except with the approval of the City Council by resolution.

SECTION 4. That amounts appropriated to any account for any object or purpose may be transferred to a different account for the same general object or purpose within the same department or activity upon recommendation of the department head and the Director of Finance and approval of the City Manager.

SECTION 5. That all requisitions, purchase orders, fund transfers, inter-departmental orders or other encumbrances upon any account or appropriate object of any department shall be clearly recorded against the amount available both as to the number of items and total amount thereof, in such a way that there shall never be an overencumbrance or an overexpenditure upon any such accounts or appropriated objects and so the full number of articles set forth enumerated in the Budget or subsequent appropriation can be purchased or acquired out of the amount appropriated therefore.

SECTION 6. That the City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 13th day of June 2006 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Floyd Petersen, Mayor

ATTEST:

Pamela Byrnes-O'Camb, City Clerk

RESOLUTION NO.

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT
AGENCY ESTABLISHING A FINAL BUDGET FOR FISCAL
YEAR 2006-2007

WHEREAS, the Redevelopment Agency of the City of Loma Linda has established indebtedness to qualify for the receipt of tax increment; and

WHEREAS, one of the steps to the disbursement of funds for the implementation of removal of blighting conditions is the formation of a plan for establishing project priorities; and

WHEREAS, the budgeting process establishes the plan of expenditures and the priorities of project implementation;

NOW, THEREFORE, BE IT RESOLVED that the budget for the Loma Linda Redevelopment Agency for the fiscal year commencing July 1, 2006 and ending June 30, 2007, as prepared and submitted by the Agency Executive Director and as modified by the City Council sitting as the Agency Board, is hereby accepted.

PASSED, APPROVED AND ADOPTED this 13th day of June 2006 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Robert Ziprick, Chairman

ATTEST:

Pamela Byrnes-O'Camb, Secretary